

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers III (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT Is I	nade this 23	day of	July	, 2008, by and between	
Judy L. Boone,	a widow		1		
whose addresss is 4800 and, DALE PROPERTY SERVICES, hereinabove named as Lesses, but a	Dersey St., Fo L.L.C. 2100 Ross Avenue. Il other provisions (including i bonus in hand paid and the	the completion of	las Toxas 75201, a blank spaces) were	S Lessee. All printed portions of this prepared jointly by Lessor and Lesse in hereby grants, leases and lots ex	e.
0.205 ACRES OF LAN OUT OF THE FOR WORTH IN VOLUME 63	D, MORE OR LESS, B Paixteclinic H TALL, PAGE 1	leights ARRANT COU	JNTY, TEXAS, A	ADDITION, AN AD ACCORDING TO THAT CEI TRECORDS OF TARRANT	, BLOCK /// DITION TO THE CITY OF RTAIN PLAT RECORDED COUNTY, TEXAS.
in the County of Tarrant, State of reversion, prescription or otherwise) substances produced in association commercial gases, as well as hydrolland now or hereafter owned by Los Lessor agrees to execute at Lossee's of determining the amount of any shu	for the purpose of explortning the service of the s	g for, developing, ysical/seismic op the above-descri adjacent to the at polemental instru	, producing and man perallons). The ten (bed leased premise bove-described lease ments for a more con	n "gas" as used herein includes h s, this lease also covers accretions : ed premises, and, in consideration o mpiete or accurate description of the	rdrocarbon and non hydrocarbon ellum, carbon dioxide and other and any small strips or parcels of the aforementioned cash bonus, land so covered. For the purpose
separated at Lessee's separator fact Lessor at the wollhead or to Lessor's the wellhead market price then prev prevalling price) for production of	er substances covered here! into the provisions hereof, her substances produced an illes, the royalty shall be corellt at the oil purchaser's aiting in the same field (or if similar grade and gravity; (if the parents and the costs incurrit to purchase such productioname field, then in the neares as the date on which Lessee is land productioname field, then the purpose of the purchase such productioname field, or well are until the purchase such production the purpose of the purpose	d saved hereund described in the saved hereund transportation fact there is no such by for gas (inclusives see in at the prevailing at field in which the commences its prepable of either a are either shutter royalty of the end of sald 90 being soid by Less premises or land	a paying quantities from the paying quantities from the price than prevailing the price than prevailing casing head good to be tessee from the producting processing wellhead market producting oil or gas producting oil or gas a production there is lease. If for a perione dollar per acre to be provided that if is pooled thorowith,	om the leased premises or from land cossee to Lessor as follows: (a) For \$\frac{1}{2} \sum_{2} \frac{1}{2}) of such production, to be Lessee shall have the continuing rigg in the same field, then in the near as) and all other substances cover to be sale thereof, less a proportionating or otherwise marketing such gas of the production of similar qualing price) pursuant to comparable production of similar qualing price) pursuant to comparable production of the primary or other substances covered hereby from is not being sold by Lessee, such of 90 consecutive days such well then covered by this lease, such pay this lease is otherwise being maintain no shut-in royalty shall be due until	oll and other liquid hydrocarbons be delivered at Lessee's option to the lo purchase such production at rest field in which there is such a red hereby, the royalty shall be e part of ad valorem taxes and or other substances, provided that tilly in the same field (or if there is surchase contracts entered into oncern or any time thereafter one or in paying quantities or such wells the well or wells shall nevertheless or wells are shut-in or production ment to be made to Lessor or to of the end of said 90-day perioduction the end of the 90-day period next
 All shut-in royalty payments be Lessor's depository agent for rece draft and such payments or tenders address known to Lessee shall cons payment hereunder, Lessor shall, at 	iving payments regardless of to Lessor or to the deposition (lute proper payment. If the Lesseo's request, deliver to L tragraph 3, above, if Lessee or if all production (whether raph 6 or the action of any e commences operations for ed therewith within 90 days a try time thereafter, this tease obtain or restore production if cutive days, and if any such as from the leased promises is on the leased premises or it to formations then capables.	changes in the of the control of the	wnership of said lan- e US Malis in a stand diquidate or be successful and the production of the rewith. After companying quantities or paying quantities or successful as a reasonable paying quantities or	mped envelope addressed to the depiceded by another institution, or for a naming another institution as deposituding in paying quantities (hereinatt ently ceases from any cause, include event this lease is not otherwise in gan additional well or for otherwise in dry hole or within 90 days after such force but Lessee is then engaged role so long as any one or more of surficient of a well capable of producing protection of a well capable of producing the leased premises or lands pool	ade in currency, or by check or by sationy or to the Leason at the last any reason fall or refuse to accept tory agent to receive payments, or called "dry hole") on the leaseding a revision of unit boundaries being maintained in force it shall existency or restoring production or restoring production in cessation of all production. If at in drilling, reworking or any other choperations are prosecuted with red hereby, as long thereafter as up in paying quantities hereunder, he same or similar circumstances ad therewith, or (b) to protect the

to (a) develop the leased premises as to formalions their capable of producting in paying quantities on the leased premises or lands pooled inserswith, or (b) to protect the leased premises from uncompensated draftage by any well or wells located on other lands not pooled therswith. There shall be no coverant to drill exploratory wells or any additional wells except as expressly provided herain.

6. Leased shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Leased deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The interest completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or a horizontal completion to conform to any well spacing or density pattorn that may be prescribed or permitted by any governmental authority, or, for the purpose of the foregoing, the terms foll well means a well with an initial gas-oil ratio of loss than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production lest conducted under normal producing conditions using standard lease apparator facilities or equivalent leating equipment; and the form "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the verifical component thereon. In exercising its pooling rights hereunder, Leasee shall fills of record any part of the leased premises shall be freated as if it were produ

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties until Lessor has satisfied the notification requirements contained in Lessees statisform or devision order. In the event of the deposition of any person entitled to shul-in royalities hereunder, Lessee may pay or tender such shul-in royalities to such persons or to their credit in the deposition designated above. If at any time two or more persons are entitled to shul-in royalities hereunder, Lessee may pay or tender such shul-in royalities to such persons or to their credit in the deposition, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred is satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- In accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or untilized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pils, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessee is not well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements
- writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease and covering all or a portion of the land described herein, with the lease be
- Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described lierein, with the price offered expiration of this lease, Lessor hereby agrees to notify Lessee in writing of sald offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee falls to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

- there is a final judicial determination that a breach or default has occurred, this lease shall not be forfelted or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee falls to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease,

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Leasor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)
Gudy L. Boone By:
STATE OF
STATE OF COUNTY OF This instrument was acknowledged before me on the day of, 2008, by:



DALE RESOURCES LLC 3000 ALTA MESA BLVD STE 300

FORT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

135 3

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 08/06/2008 03:52 PM
Instrument #: D208307780
LSE 3 PGS \$20.00

By:

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: MC

D208307780